

SAMPLE STARTUP LETTER AGREEMENT

[Company Name]
[Company Address]
Attn: [XXX]

Re: Pre-Revenue Startup IP Letter Agreement for the invention(s) UC Case No.: BK-20XX-XXX "Title"

Dear [XXX]:

This IP Letter Agreement ("AGREEMENT"), effective [Date] ("Effective Date"), confirms the understanding that [Company Name] ("COMPANY") has reached with The Regents of the University of California ("REGENTS") regarding the above-cited invention(s) ("DISCLOSED INVENTIONS").

While this AGREEMENT is in effect, REGENTS agrees to:

1. Grant COMPANY the **exclusive** right to evaluate the DISCLOSED INVENTION for the sole purpose of obtaining a commercial license;
2. Enter into good-faith negotiations **exclusively** with COMPANY for an exclusive license agreement or an option to an exclusive license to the REGENTS patent rights covering the DISCLOSED INVENTION;
3. Not engage other companies to (a) evaluate the DISCLOSED INVENTION for the purpose of licensing, or (b) negotiate a license agreement to the corresponding REGENTS patent rights;
4. Take into consideration COMPANY's reasonable suggestions in the preparation of patent applications for the DISCLOSED INVENTION in order to obtain the broadest claims and protection; and
5. Not disclose to other parties that REGENTS is negotiating a license with COMPANY.

In consideration for these rights and for the period of **exclusivity**, COMPANY agrees to:

1. Pay REGENTS [XXX] dollars (\$XXX) upon signing this AGREEMENT, which payment shall be a reimbursement to REGENTS for all past and future expenses that are related to the preparation, filing, prosecution and the maintenance of the patent application(s)/patent(s) covering the DISCLOSED INVENTION incurred while this AGREEMENT remains in effect; and
2. Allow REGENTS to publicly identify COMPANY's name and contact information as a person whom REGENTS has an agreement that involves the commercialization of technology developed at REGENTS.

Any resulting IP license agreement between COMPANY and REGENTS covering DISCLOSED INVENTION will contain standard and customary terms including: patent cost reimbursements, license fees, royalty rates, minimum annual royalties, and performance diligence milestones, etc.

If the negotiations do not result in an executed option or license agreement, both REGENTS and COMPANY agree to keep all terms and details of this negotiation in confidence for a period of

five (5) years from the date of termination of AGREEMENT, unless such terms or details become otherwise publicly available through no fault of COMPANY.

The term of this AGREEMENT is six (6) months, commencing on the Effective Date. The term of this AGREEMENT may be extended by mutual agreement of the parties.

With the exception of all confidential agreements executed with COMPANY, this AGREEMENT embodies the entire understanding of the parties and supersedes all previous communications, representations, or understandings, whether oral or written, between the parties relating to the subject matter hereof.

Please sign and return this AGREEMENT to my attention. One fully executed copy will be returned to you.

AGREED BY:

[Company Name]

**The Regents of the University
of California**

By _____

By _____

Name _____
(Please Print)

Name _____
(Please Print)

Title _____

Title _____

Date _____

Date _____